South Dakota

December 7, 2005

DEPARTMENT OF SOCIAL SERVICES

Medicaid Eligibility 700 Governors Drive Pierre, South Dakota 57501-2291 (605) 773-4678 FAX (605) 773-7183

Dear Medicare savings program recipient,

Starting January 1, 2006, Medicare will now provide prescription drug coverage. All Medicare beneficiaries will have the opportunity to enroll in a prescription drug plan.

You are eligible for help from Medicaid paying your Medicare premiums under the Medicare Savings program (QMB, SLMB or QI). Because you are eligible for help paying your Medicare premiums, if you do not choose a Medicare prescription drug plan by May 15, 2006, Medicare will automatically enroll you in a drug plan effective June 1, 2006 to make sure that you have prescription drug coverage. However, the plan to which you are randomly enrolled by Medicare may not be the best plan for you. You can switch to another plan that better meets your prescription drug needs.

There are several Medicare drug plans to choose from. The plans may be different in terms of cost and whether they pay for the drugs you need. You will want to select a drug plan that covers the prescription drugs you need, will let you use a pharmacy near you and is affordable. For help to choose a drug plan,

- Call Senior Health Information and Insurance Education (SHIINE) 1-800-536-8197 or
- → Read about drug plan choices and benefit information in your 2006 Medicare and You handbook or
- → Call 1-800-Medicare (1-800-633-4227) or use the Medicare Prescription Drug Plan Finder at www.Medicare.gov

Like any health insurance, there will be a monthly premium and other cost share for the new Medicare prescription drug coverage. The Medicare program will provide a subsidy or "extra help" for people with limited income and assets to make the coverage more affordable. Because you are eligible for help paying your Medicare premiums from Medicaid, you automatically get extra help from Medicare to pay for your Medicare prescription drug plan costs. (You do not need to apply.) You will only pay up to \$2 for a generic drug and up to \$5 for a brand-name drug. You can qualify for the extra help as soon as January 1, 2006, if you enroll in a Medicare prescription drug plan before January 1, 2006.

If you need coverage for prescription drugs, please enroll in a Medicare prescription drug plan right away so that you take advantage of the new Medicare program and extra help when it begins on January 1, 2006.

Sincerely,

Kristin Townsend, Medical Eligibility Program Specialist